



# The Informed Consumer

Consumer Affairs Branch e-newsletter  
Fairfax County Department of Cable and Consumer Services

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## Visit Consumer Central:

- File a Complaint Online
- Tenant-Landlord Handbook
- Consumer Protection Commission (CPC)
- Tenant-Landlord Commission (TLC)
- Property Owners' and Condominium Association Resources
- Consumer Focus
- Your Community, Your Call

## FBI Alert: Reverse Mortgage Scams

The FBI and the U.S. Department of Housing and Urban Development Office of Inspector General (HUD-OIG) urge consumers, especially senior citizens, to be vigilant when seeking reverse mortgage products. Reverse mortgages, also known as home equity conversion mortgages (HECM), have increased more than 1,300 percent between 1999 and 2008, creating significant opportunities for fraud perpetrators.

Reverse mortgage scams are engineered by unscrupulous professionals in a multitude of real estate, financial services, and related companies to steal the equity from the property of unsuspecting senior citizens or to use these seniors to unwittingly aid the fraudsters in stealing equity from a flipped property.

In many of the reported scams, victim seniors are offered free homes, investment opportunities, and foreclosure or refinance assistance. They are also used as straw buyers in property flipping scams. Seniors are frequently targeted through local churches and investment seminars, as well as television, radio, billboard, and mailer advertisements.

A legitimate HECM loan product is insured by the Federal Housing Authority. It enables eligible homeowners to access the equity in their homes by providing funds without incurring a monthly payment. Eligible borrowers must be 62 years or older who occupy their property as their primary residence and who own their property or have a small mortgage balance. See the FBI/HUD Intelligence Bulletin for specific details on HECMs as well as other foreclosure rescue and investment schemes.

### Tips for Avoiding Reverse Mortgage Scams:

- Do not respond to unsolicited advertisements.
- Be suspicious of anyone claiming that you can own a home with no down payment.
- Do not sign anything that you do not fully understand.
- Do not accept payment from individuals for a home you did not purchase.
- Seek out your own reverse mortgage counselor.

If you are a victim of this type of fraud and want to file a complaint, please submit information through the FBI's electronic tip line or through your local FBI office.

You may also file a complaint with HUD-OIG at [www.hud.gov/complaints/fraud\\_waste.cfm](http://www.hud.gov/complaints/fraud_waste.cfm) or by calling HUD's hotline at 1-800-347-3735.



## Telemarketing Fraud Tips from Fraud.org

While there are many legitimate companies that use the telephone for marketing, consumers and businesses lose millions of dollars to telemarketing fraud each year. It's sometimes hard to tell the difference between reputable telemarketers and criminals who use the phone to rob people. You can protect yourself by learning how to recognize the danger signs of fraud. If you are a victim or attempted victim of telemarketing fraud, it's important to report the scam quickly so that law enforcement agencies can shut the fraudulent operation down.

- **Fraudulent telemarketers understand human nature.** We all want to believe that it's our lucky day, that we can get a great deal, or that we can solve our problems.
- **It's important to know who you're dealing with.** If a company or charity is unfamiliar, check it out with your state or local consumer agency and the Better Business Bureau. Fraudulent operators open and close quickly, so the fact that no one has made a complaint yet doesn't guarantee the company or charity is legitimate. Ask for advice about the type of pitch you received and the danger signs of fraud.
- **Some telemarketing pitches are blatantly fraudulent, and you should know the signs.** It's illegal for telemarketers to ask for a fee upfront if they promise or claim it's likely they'll get you a credit card or loan, or to "repair" your credit. It's also illegal for any company to ask you to pay or buy something to win a prize, or to claim that paying will increase your chances of winning. And it's illegal to buy and sell tickets to foreign lotteries by phone or mail.
- **Other danger signs of fraud may be harder to recognize.** They include: pressure to act immediately; refusal to send you written information; use of scare tactics; demands to send payment by wire or courier; demands for payment of taxes or customs fees to claim a prize; requests for your financial account numbers even though you're not paying for something with them; promises to recover money you've lost in other scams, for a fee; claims that you can make lots of money working from home; and refusal to stop calling when you say you're not interested.
- **Beware of identity thieves.** Crooks pretending to be from companies you do business with may call or send an email asking to verify personal information they should already have. Contact the company directly to confirm before providing information.
- **How you pay matters.** If you pay for a transaction with cash, checks, or money orders, your money is gone before you realize there is a problem. Paying by credit card is safest because you can dispute the charges if you don't get what you were promised. You don't have the same dispute rights when you pay with debit cards or give your bank account number. Bank debits have become fraudulent telemarketers' preferred form of payment.
- **Where telemarketers are located matters, too.** Some fraudulent telemarketers are deliberately located in other countries because it's more difficult for U.S. law enforcement agencies to pursue them. It may be hard to tell where they are; they may have mail forwarded from the U.S. and use telephone numbers that look like domestic long-distance. Be very cautious when dealing with unknown companies from other countries.
- **Be prepared when you answer the phone.** Think about the advice you'd give someone else about how to detect fraud, then follow that advice yourself. Use Caller ID or an answering machine to screen calls. Don't hesitate to hang up on suspicious calls.

**Know your "do-not-call" rights.** Put your number on the national "do-not-call" registry to stop most telemarketing calls. Call 888-382-1222, TTY 866-290-4326 or go to [www.donotcall.gov](http://www.donotcall.gov). You can also tell companies not to call you again on a case-by-case basis. Report violations of your "do-not-call" rights through the "do-not-call" number or Web site. Report telemarketing fraud via Fraud.org's Online Complaint Form.

The logo for Fraud.org, featuring the word "FRAUD" in a bold, blue, sans-serif font, followed by an exclamation mark and the word "ORG" in a similar blue font. The exclamation mark is red and stylized.

**Need Advice?****Ask an Investigator**

Investigators are available Monday through Friday from 8:00 a.m. to 4:30 p.m. for walk-in assistance and advice. Call 703-222-8435 TTY: 711 or submit a question via e-mail [consumer@fairfaxcounty.gov](mailto:consumer@fairfaxcounty.gov).

**File A Complaint**

File a complaint online or request a complaint form in the mail.

**Search Complaint History**

Research the complaint history of a company prior to completing a transaction.

**Mark Your Calendars****National Consumer Protection Week 2014**

Fairfax County Consumer Affairs will be hosting a series of community events from March 3-7, 2014. For more information, please email [consumer@fairfaxcounty.gov](mailto:consumer@fairfaxcounty.gov) or call 703-222-8435.

**In the Spotlight**

Your Community, Your Call

**Consumer Affairs Branch**

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Visit Our Website



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## Fraud.org Reports: Obamacare Confusion Providing Open Door for Con Artists

Shortly after the Patient Protection and the Affordable Care Act (ACA, or more commonly, "Obamacare") was signed into law in 2010, scams linked to the programs began to crop up.

In [Massachusetts](#), scammers deceptively marketed fake health insurances policies and created fake Web sites that claimed to sell Obamacare, targeting seniors to gain their personal information. In [other cases in Kansas](#) and Alabama, con artists posing as government employees conned consumers into divulging their bank account numbers in order to sign up for fake health care plans.

Obamacare scams come in a variety of forms. Consumers have complained about con artists contacting them by phone, fax, email, and even in person. A common version of the scam involves fraudsters claiming to be from the federal government and directing consumers to purchase insurance cards in order to be eligible for coverage under the ACA. Scammers intimidate consumers to give them their bank account routing numbers or make a direct cash transfer by using words like "it is the law" or "the government now requires it."

Another variation of the scam begins with fraudsters claiming to be "navigators." Under the ACA, thousands of workers, called "navigators" are being trained to help consumers apply for the insurance coverage through state and federal exchanges. Scammers claiming to be navigators or Medicare officials, trick seniors and low-income consumers into divulging personal information and paying for fictitious insurance plans. Con artists have also directed consumers to wire money or send funds via a prepaid card if they want the full benefits of Obamacare. In the month of May alone, the Federal Trade Commission received over 1,100 complaints about similar scams.

**Consumers can better protect themselves from Obamacare scams by following some suggested preventive measures:**

1. **Get informed about how the health reform affects you. The Center for Medicare and Medicaid Service's HealthCare.gov Web site is a great place to start.**
2. **If someone claiming to be with Obamacare or another federal program asks you to wire money, give out your bank account number or load funds onto a prepaid card, it's a scam.**
3. **If you received an unsolicited phone call, email or fax claiming that you need to purchase a new Medicare card or update your personal information (such as your Social Security number, date of birth or other sensitive information) because "it's the law," simply hang up and report the event to Fraud.org or the FTC.**
4. **Be careful of phishing sites made to look like official insurance exchange Web sites. They may contain the actual seal of the real insurance exchanges, but likely simply exist to load malware onto your computer or collect your personal information.**
5. **In the event that you inadvertently divulge personal information to an Obamacare fraudster, inform your banks, credit card providers and the three major credit bureaus so that they can be on the lookout for potential identity thieves.**

## Energy Action Fairfax—Step Up to Savings FREE Association Presentation

**Energy Action Fairfax** is a program sponsored by Fairfax County that brings neighbors together to help them save energy. On the **Energy Action Fairfax** website ([www.fairfaxcounty.gov/energyactionfairfax/](http://www.fairfaxcounty.gov/energyactionfairfax/)), residents can find quick and easy tips on how to save energy every day, do-it-yourself guides and short videos about efficiency improvements, and frequently-asked questions (FAQs) about energy efficiency. The program also works with local energy auditors, who are available to attend association meetings and discuss and demonstrate low-cost, high-reward residential energy upgrades. There is no cost to an association for this service.

For more information or to schedule an energy auditor's presentation, please contact Michelle Thompson at [Michelle.Thompson@fairfaxcounty.gov](mailto:Michelle.Thompson@fairfaxcounty.gov).

Please express your interest by providing the following information:

- Name of your community
- Name of association board contact and title
- Contact email
- Contact telephone number
- Proposed date and time of the presentation



## Your Community, Your Call

The most recent edition of *Your Community, Your Call—Rentals in Your Community* can be viewed on Mondays at 8 p.m. on Fairfax County Government Channel 16 or on Video on Demand. Peter S. Philbin, attorney with Rees Broome, P.C. and Thomas Patti, VP of the Northern Virginia Division of Sentry Management, Inc. joined Michelle Thompson to discuss the impact of rentals in common interest communities, and the board's authority and owner's responsibility in the landlord-tenant relationship.

The next edition of *Your Community, Your Call* is scheduled for Tuesday, November 19, 2013. During the show, call in your questions at 703-818-1445 or email us at [ycyc@fairfaxcounty.gov](mailto:ycyc@fairfaxcounty.gov). If you are unable to join the live program, you can email your questions ahead of time to [ycyc@fairfaxcounty.gov](mailto:ycyc@fairfaxcounty.gov).



### REGISTER TODAY!

FREE 2013 Virginia Legislative  
and Regulations Update

**Monday, November 4, 2013**

**7:00 p.m. to 9:00 p.m.**

**Fairfax County Government Center**

## Homeowner Volunteer Training Opportunity

WMCCAI hosts The Essentials of Community Association Volunteer Leadership workshop on Saturday, October 19, 2013 from 9 a.m. to 4 p.m. in Bowie, MD.

For details and registration, visit the WMCCAI Events Page.

## Community Association of the Year Contest

Washington Metropolitan Chapter Community Associations Institute (WMCCAI) wants to know if your association has what it takes to be inducted into the **WMCCAI Hall of Fame!** To apply, a board member or homeowner volunteer must be a member of WMCCAI. Visit [www.caidc.org](http://www.caidc.org) for more details and a list of past winners.

Applications are due on Friday, October 25, 2013.

## Join Our Subscriber List

**Have there been changes to the point of contact for your association?**

If you would like to continue to receive news and information for your community, please subscribe or send changes to [ycyc@fairfaxcounty.gov](mailto:ycyc@fairfaxcounty.gov).